

# HB26-1004: Renew the Child Care Contribution Tax Credit (CCTC)

Speaker McCluskie & ML Caldwell | President Coleman & ML Simpson

## What does HB26-1004 do?

The Child Care Contribution Tax Credit (CCTC) is set to expire on January 1, 2028. In the face of uncertain federal support and a challenging state budget environment, renewing the CCTC for ten years is critical to support Colorado child care and afterschool providers.

## What Is the CCTC?

Since 1998, the **CCTC** has been one of Colorado's most effective tools for supporting child care and afterschool programs. It allows individuals to receive a **50% state tax credit** when they make cash donations (**up to \$100,000**) to child care programs, including afterschool providers.

Eligible recipients include:

- Licensed child care centers and home-based programs
- Foster care homes
- Residential child care facilities
- Homeless youth shelters

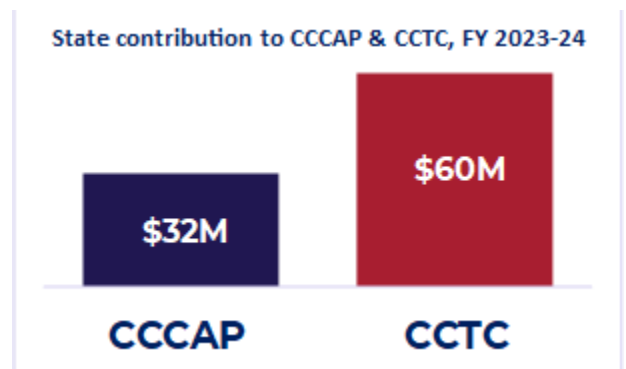
More than **6,000 providers statewide are eligible** for CCTC-supported donations.

## Why It Matters

The CCTC helps providers raise critical funds to:

- Open new centers and expand child care seats
- Recruit and retain teachers and staff
- Improve quality and facilities
- Keep child care doors open for families

In 2023, CCTC donations generated **\$60 million**, nearly **double the state's Colorado Child Care Assistance Program (CCCAP) General Fund investment**.



## Economic Impact

- Reinvests **\$60 million** in Colorado communities through child care and afterschool care
- Provides more than **18,000 Coloradans** with tax relief
- **Keeps dollars in the Colorado economy** by supporting salaries for providers

## Why Renewal Is Essential

Without renewal, Colorado risks losing a proven, bipartisan solution that:

- Keeps child care – including after school care - affordable and accessible
- Empowers local businesses and families
- Supports economic growth and workforce participation
- Resources child care centers to support all children, including BIPOC and immigrant children and children with disabilities

## The Bottom Line

**Renewing the Child Care Contribution Tax Credit is an investment in Colorado's future.**

It is smart policy, strong economics, and a lifeline for families and providers across the state.

## **The Child Care Contribution Tax Credit's Impact**

### **Expanding Seats in Rural Child Care Deserts: Community Hospital, Grand Junction**

In 2023, Mesa County child care provider Jennifer Knott worked with Community Hospital to build, open, and run an on-site child care center. Knott says they raised \$3M of the \$5M budget through donations, made possible by CCTC incentives. The new center serves 113 children, including 20 infants and 42 toddlers. Not only does this address the needs of Mesa County, which is a child care desert, it also vastly improved Community Hospital's ability to recruit and retain talent, providing the area with life-saving services.

### **Serving Immigrant and BIPOC Families: The Family Learning Center, Boulder**

Assistant Director L'Shawn Howard says that all the families she serves at The Family Learning Center's early childhood program are BIPOC. Many are Latinx, while others come from countries like Morocco, Nepal, and Afghanistan. Howard's organization uses CCTC revenue to fund diversity, equity and inclusion (DEI) trainings and to recruit and retain multilingual teachers.

***“The Child Care Contribution Tax Credit is like a thank you from the state. Thank you for investing in children. Thank you for investing in providers. If we take it away, what message does that send?” ~L'Shawn Howard***

### **Serving Low-income Children with Disabilities: WHALE Respite Center, Weld County**

WHALE Respite Center serves children with developmental delays and disabilities. Since about 96% of families who use the center are low-income, CCCAP waitlists and freezes have made it challenging for WHALE to charge families affordable rates while providing individualized care. Executive director and cofounder Kristin Ceriani uses large donations incentivized by the CCTC to subsidize tuition. Thanks to the CCTC, families pay about \$30-\$50 a day while receiving high quality care in a trusted setting.

### **Paying Providers a Livable Wage: Aspen Center for Child Development, Longmont**

The Aspen Center for Child Development has 66 licensed seats, about half of which are reserved for infants and toddlers. According to school director Elizabeth Fannon, about 40% of the families they serve are on scholarship aid. The center uses CCTC donations to fund financial aid, pay staff competitive salaries, and to offer staff a 75% discount on child care. These perks allow Fannon to recruit and retain high quality professionals: over 70% of her employees have either a Bachelor's or a Master's degree.

### **Offering Accessible Out-of-School Time Care: Boys & Girls Clubs of Pueblo County**

The Child Care Contribution Tax Credit empowers both businesses and individuals to more generously invest in high-quality, comprehensive afterschool and summer care for Pueblo County kids, at low to no cost to families. Eleven of our 12 Club sites are completely free and located in neighborhoods where kids need us most, with one other site operating on an affordable sliding scale for parents. The CCCTC keeps donors coming back year after year to strengthen our community, allowing our Clubs to expand programs, support working families, and ensure children in Pueblo County have a safe place to learn, grow, and thrive.

## Supporters:

- Big Brothers Big Sisters of Colorado
- Boys and Girls Clubs Colorado Alliance
- Boys & Girls Clubs of Pueblo County
- Clayton Early Learning
- Children's Hospital Colorado
- Colorado Alliance of YMCAs
- Colorado Association for the Education of Young Children
- Colorado Children's Campaign
- Denver Preschool Program
- Downtown Denver Partnership
- Early Care and Education Consortium
- Early Childhood Education Association of Colorado
- Early Childhood Council Leadership Alliance
- Early Childhood Council of Boulder County
- Early Childhood Council of La Plata County
- Early Childhood Council San Luis Valley
- Early Childhood Partnership of Adams County
- Executives Partnering to Invest in Children (EPIC)
- Florence Crittenton Services
- Gary Advocacy
- Healthier Colorado
- Illuminate Colorado
- Mile High United Way
- Parent Possible
- Rocky Mountain Early Childhood Council
- United Way of Weld County
- Women's Foundation of Colorado